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SECURITY AGREEMENT (WITH ASSIGNMENT OF RENTS)
INTERSTATE COMMERCE COMMISSION

AGREEMENT made as of this 15th day of April, 1985 by and between CONTINENTAL TANK CAR CORPORATION, a corporation with offices at 200 North Avenue, East, Westfield, New Jersey 07090 ("Continental") and TRINITY INDUSTRIES LEASING COMPANY, a corporation with offices at 2525 Stemmons Freeway, Dallas, Texas 75207 (the "Secured Party");

WHEREAS, in consideration of the payment of Ten (\$10) Dollars, lawful money of the United States, paid by each to the other, receipt whereof is hereby acknowledged, the mutual undertakings hereinafter set forth, and other good and valuable consideration:

THE PARTIES HERETO AGREE AS FOLLOWS:

1. THE UNDERTAKING:

To induce the Secured Party to accept Continental's Promissory Note in the principal amount of \$1,155,000 (the "Note"), and to secure the full and complete performance by Continental under the terms of the Note (the obligations of performance, financial and otherwise of Continental under the Note are hereinafter collectively referred to as the "Obligations"), Continental hereby grants the Secured Party a security interest in the railroad ~~cars~~ cars listed on Schedule A (the "Equipment"), together with all accessions, additions, and improvements to, and substitutions and replacements for, the Equipment, and insurance policies and proceeds and other rights with respect to the Equipment (the "Collateral").

2. REPRESENTATIONS AND COVENANTS OF CONTINENTAL:

Continental represents to and covenants with the Secured Party with respect to its Equipment, which is Collateral hereunder, that:

A. No financing statement or similar filing or any proceeds thereof is on file in any public office except for the filing in favor of The Central Jersey Bank and Trust Company ("Bank").

B. Continental owns the Equipment free from any setoff, claim, restriction, lien, security interest or encumbrance except liens for taxes not yet due and the security interest granted hereby and a security interest in favor of

Bank securing up to but not exceeding \$1,450,000.00 in indebtedness. Continental shall defend the Equipment against all claims and demands of all persons at any time claiming any interest therein adverse to Secured Party.

C. Continental shall pay all costs necessary to obtain, preserve, perfect, defend and enforce this security interest, collect the obligation, and preserve, defend, enforce and collect the Equipment, including but not limited to taxes, assessments, insurance premiums, repairs, and reasonable attorney's fees and legal expenses.

D. At the request of the Secured Party, Continental shall execute and deliver one or more instruments or documents, including financing statements and continuation statements, as the Secured Party may reasonably require.

E. Continental will keep the Collateral in good order and repair and will not waste or destroy the same or any part thereof; and Continental will not use any Collateral in violation of any statute or ordinance, regulation or rule.

F. Continental will pay promptly when due all taxes and assessments upon such Collateral, or for its use or operation.

G. Continental shall not use the Collateral except in the ordinary course of its business, substantially in the same manner as presently conducted, nor sell or further encumber the same, without prior written consent of the Secured Party.

3. DEFAULTS AND REMEDIES:

A. If any one or more of the following events (each an "Event of Default") occurs, the entire unpaid balance of the principal of the Note shall, at the Secured Party's option, and subject to five (5) days written notice from Secured Party to Continental of its intent, become immediately due and payable:

(i) Any representation or warranty made herein shall be determined to have been false in any material respect when made;

(ii) Default in the timely payment of the Note or in performance or observance of the terms and conditions herein;

(iii) Sale, encumbrance or transfer of any Collateral in violation hereof, or substantial damage to the Equipment unless (x) such Equipment is insured pursuant to Section 8 hereof and the insurance proceeds are delivered to Secured Party promptly following the receipt thereof by Continental, or (y) Continental forwards payment to Secured Party within 30 days next following the date of the occurrence of such substantial

damage of funds in the amount required to restore the damaged Equipment to the condition of same prior to such damage having been incurred; provided however that in no event shall Continental be required to pay Secured Party an amount per railroad car in excess of the lesser of \$11,550 or 80% of the replacement cost of such unit of Equipment; or

(iv) Dissolution, or termination of existence, insolvency or business failure of Continental; commencement of proceedings for the appointment of a receiver for any property of Continental; or commission of an act of bankruptcy by Continental; commencement of any proceeding under any bankruptcy or insolvency law by or against Continental unless dismissed within 120 days.

B. Upon the occurrence of an Event of Default as defined above, Continental will, within five days following receipt of written demand from the Secured Party, repay and/or satisfy in full all Obligations. In the event that Continental shall not make such full repayment and satisfy all Obligations within such five-day period, the Secured Party shall be entitled, in addition to any other rights which it may enjoy at law, in equity, under the Uniform Commercial Code, under this Agreement or otherwise:

(i) Without further notice or demand or legal process take possession of the Collateral, all records and items relating to the Collateral and, at the Secured Party's request, Continental will assemble such Collateral and records and deliver them to the Secured Party;

(ii) Sell the Collateral, but the Secured Party shall give Continental reasonable notice of the time and place of any public sale of its Collateral or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice of the sale or other intended disposition is mailed, by certified mail, postage prepaid, to Continental at its address specified hereunder at least five days prior to the time of such sale or disposition. At such sale the Secured Party may sell the Collateral for cash or upon credit or otherwise, at such prices and upon such terms as it deems advisable and the Secured Party may bid or become purchaser at such sale, free of the right of redemption, which is hereby waived. The Secured Party may adjourn such sale at the time and place fixed therefor without further notice or advertisement, and may sell the Collateral as an entirety or in separate lots as it deems advisable, but the Secured Party shall not be obligated to sell all or any part of the Collateral at the time and place fixed for such sale if it determines not to do so.

4. CONSTRUCTION:

This Agreement shall be construed under Texas law, and federal law to the extent applicable, and references to the plural shall include the singular and others and references to the singular shall include the plural as the contest requires. The invalidity, illegality or unenforceability of one or more provisions of this Agreement or any note evidencing the Obligations shall in no way affect the Secured Party's rights under the remaining portions of this Security Agreement or such Note.

5. NOTICES:

Notices to the Secured Party or Continental shall be deemed received three (3) business days after the notice is deposited in a United States postage recepticle, certified mail, postage prepaid, return receipt requested, addressed to the address of the addressee set forth herein.

6. NONRECOURSE:

Continental's liability hereunder is limited as provided in the Note.

7. ASSIGNMENT OF RENTS:

A. All of the rents, royalties, bonuses, issues, profits, revenue, income, and other benefits derived from the Collateral or arising from the use or enjoyment of any portion thereof or from any lease or agreement pertaining thereto and liquidated damages following default under such leases, and all proceeds payable under any policy of insurance covering loss of rents resulting therefrom, together with any and all rights that Continental may have against any lessee under such leases or any sublessee of any part of the Collateral (hereinafter called the "Rents"), are hereby absolutely and unconditionally assigned to Secured Party, to be applied by Secured Party in payment of the Obligations. Prior to an Event of Default, Continental shall have a license to collect and receive all Rents.

B. Continental hereby assigns to Secured Party all existing and future leases, including subleases thereof, and any and all extensions, renewals, modifications, and replacements thereof, upon any part of the Collateral (the "Leases"). Continental hereby further assigns to Secured Party all guaranties of lessees' performance under the Leases. Prior

to an Event of Default, Continental shall have the right, without joinder of Secured Party, to enforce the Leases.

8. INSURANCE:

Continental shall, at its sole cost and expense, obtain and maintain insurance upon and relating to all insurable Collateral all in form and in companies reasonably acceptable to Secured Party, in amounts equal to 80% of the replacement cost of the Collateral, with loss made payable to Secured Party. Continental shall deliver the policies of insurance to Secured Party promptly as issued; and, if Continental fails to do so, Secured Party, at its option, may procure such insurance at Continental's expense. All renewal and substitute policies of insurance shall be delivered at the office of Secured Party, premiums paid, at least ten (10) days before termination of policies theretofore delivered to Secured Party. In case of loss, Secured Party, at its option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same on the Obligations. Continental shall have the option to disregard this paragraph at any time during the term of the Note; however, paragraph 8 of the Note shall be ineffective during any such period of time.

9. SUCCESSORS AND ASSIGNS:

This Agreement is binding on the successors and assigns of the parties hereto.

10. SUBORDINATION:

The security interest and assignment of rents contained herein are subordinate to and only to a security interest and assignment of rents in favor of Bank securing no more than \$1,450,000.00 of indebtedness of Continental to Bank.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

ATTEST:

CONTINENTAL TANK CAR CORPORATION

Edson B. Thomas
V. Pres. & Secy.

By: Wm. Thomas
President

ATTEST:

TRINITY INDUSTRIES LEASING COMPANY

Maurice E. Russell
asst Sec.

By: E. B. Breeding
Vice Pres.

STATE OF NEW JERSEY, COUNTY OF UNION, ss.:

I certify that on April 16, 1985, H. Emerson James personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached documents as President of Continental Tank Car Corporation, the corporation named in this document;

(b) the proper corporate seal was affixed; and

(c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Frederick M. Kupper

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 27, 1988

STATE OF TEXAS, COUNTY OF DALLAS, ss.:

I certify that on April 15, 1985, Ed Breeding personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached document as Vice President of Trinity Industries Leasing Company, the corporation named in this document;

(b) the proper corporate seal was affixed; and

(c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Frederick M. Kupper

CERTIFICATION

District of)
Columbia) ss:

I do hereby certify that I have compared the foregoing to the original Security Agreement executed by the parties thereto as of April 15, 1985, and find the foregoing to be a true and correct copy, identical in all respects to the original document.

Kay E. Smith
NOTARY PUBLIC

My Commission Expires: 1-1-89

SCHEDULE A

The rail cars that are the subject of this Schedule A and the Security Agreement of which this Schedule A is a part consist of one hundred (100) wood rack 50-ton pulpwood cars, 27-cord capacity (5'6" measured axle spacing, 30'10" measured truck centers), AAR Mechanical Designation "LP", Car Type Code "LO26", stencilled with the railroad reporting marks "CAGY12000" through CAGY12099," inclusive, in a regular numerical sequence.